


REPUBLIC OF KENYA



**REPORT**

 <b>NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 08 APR 2026	DAY: WEDNESDAY
TABLED BY:	HON. DIDO RASO, MP ON BEHALF OF LOM
CLERK AT THE TABLE:	J. LEMERELLE

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OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**GODOMA TECHNICAL AND TRAINING  
INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

**KILIFI COUNTY**

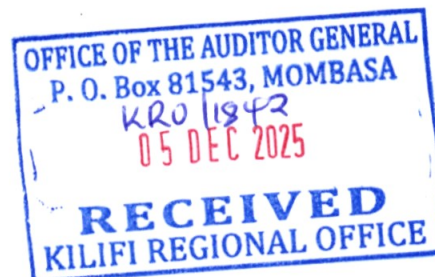


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**GODOMA TECHNICAL TRAINING INSTITUTE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2025**

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Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)



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# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVETA	Technical And Vocational Education And Training
GTTI	Godoma Technical Training Institute
HRM	Human Resource Management
JKUAT	Jomo Kenyatta University Of Agriculture And Technology
KUCCPS	Kenya Universities And Colleges Central Placement Services
HOD	Head Of Department
AFDB	African Development Bank Group
PSC	Public Service Commission
NITA	National Industrial Training Authority
KNEC	Kenya National Examination Council
CBET	Competency Based Education And Training

**B. Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

**GODOMA TECHNICAL TRAINING INSTITUTE**  
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**2. Key Entity Information and Management**

**(a) Background information**

Godoma Technical Training Institute is the first TVET institution in Kilifi County. The institute was established under the TVET Act, 2013 and had its first intake in 2016. The institute is a major pillar in the realization of the vision 2030 in providing skilled manpower to the growing economy of the republic. GTTI is a leading technical institute in the vast Kilifi County, located in the serene suburbs of Kilifi town bordering Arabuko Sokoke forest.

The locals take pride in the institute, enhancing peaceful coexistence. The institution has modern workshops and labs with state of the art equipment

**(b) Principal Activities**

The principal activity of the Institute is the provision of technical, vocational, entrepreneurship training and research.

**Vision**

A Centre of Excellence in Technical Training, Research and Business Incubation

**Mission**

To produce quality technical and entrepreneurial skills and competencies to satisfy the middle level manpower needs of the local and international market through hands on training and research.

**Core Values**

1. Respect
2. Quality
3. Excellence
4. Integrity
5. Discipline
6. Teamwork

**(c) Key Management**

The entity's day-to-day management is under the following key organs:

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

1.	Principal	Lidigu Sebastian Shikoli
2.	Deputy principal Finance	Festus Mugogo
3.	Deputy principal Academics	Mrs. Carolyn Musyimi
4.	Registrar (s)	Phedinke Mambori
5.	Dean of students	Franco Mwangala
6.	Head of Finance	CPA Joseph Muema David
7.	Head Of Procurement	Leonard Nyamawi

**(e) Fiduciary Oversight Arrangements**

Hence every committee has its functions with the institute eg finance and hr committee have a duty to check whether are the financial statements are prepared in accordance with the PSASB, whether the income generated from the trainees have been utilized in good manner, academic committee has a duty to check with all the necessary courses are being applied within the institution finally we have audit and risk committee its duty is to have an advice to the institution after the the audit of reports are out, again they have a duty to assist where there is risk.

- **Audit And Risk Committee**  
- duty is to have an advice to the institution after the the audit reports are out, again they have a duty to assist where there is risk.
- **Finance and HR Committee**  
- finance and hr committee have a duty to check whether the financial statements are prepared in accordance with the PSASB, whether the income generated from the trainees have been utilized in good manner
- **Academic Committee**  
- has a duty to check all the necessary courses are being applied within the institution

**(f) Entity Headquarters**

P.O. Box 1808 - 80108  
Off Malindi Road along Arabuko Forest  
Kilifi, Kenya

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**(g) Entity Contacts**

Telephone :( 254) 720972699  
E-mail:godomatti.gtti@gmail.com  
Website: www.godomatti.ac.ke

**(h) Entity Bankers**

Kenya Commercial Bank  
Kilifi Branch  
P.O. Box 528, 80108.  
Kilifi, Kenya.

**(i) Independent Auditors**

Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya


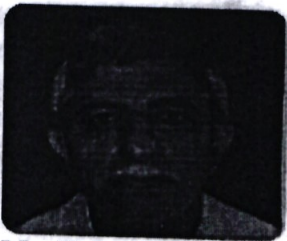


**(j) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

# GODOMA TECHNICAL TRAINING INSTITUTE




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## 3. The Council/Board of Governors

1.	 Mr. Jillo Kasse Chairman of the Board	Mr. Jillo Kasse was appointed as Chairman of GTI Board on 9th February 2022. He is currently Pursuing PHD at Jomo Kenyatta University of Agriculture & Technology. He has a Masters in HRM from Jomo Kenyatta University of Agriculture & Technology, Higher Diploma from Institute Of Human Resources Nairobi, Diploma in Business Management from College of Professional Management UK and Bachelor of Arts from Kenyatta University Nairobi. To date he has over 15 years of working experience and was born in 1964.
2.	 Mr. Kalandar Kamalkhan	Mr. Kalandar Kamalkhan joined the board for the first time on 5th October 2018. He was reappointed on 9th February 2022. He holds a master's degree in Infrastructure planning from the University of Stuttgart (Germany), post graduate diploma in housing Studies from the institute of housing studies, Rotterdam, Netherlands, and Bachelor of Architecture Degree from the University of Nairobi. To date he has 32 years of working experience and was born in 1964.
3.	 Mrs. Fatma Khamis Ali	Mrs. Fatma Khamis Ali joined the board on 9th February 2022. She is an effective team worker with administrative and supervisory experience, a diligent, creative and enthusiastic professional who is looking forward to a more challenging role. She has a MSc in Information System from Nairobi University coupled with ISO 9001:2015 QMS Lead Auditor. To date she has 15 years of working experience and was born in 1979.
4.	 Mrs. Rehema Athman Wampy	Mrs. Rehema Athman Wampy joined the board on 9th February 2022. A highly personable, competent, and team spirited professional with over 5 years of experience in Lecturing, and Administration. She holds a Master's Degree in Computer Science from American University in London, Bachelor's degree in computer Science from Islamic University - Uganda. She was born in 1979.

## GODOMA TECHNICAL TRAINING INSTITUTE



### Annual Report and Financial Statements for the year ended 30th June 2025

5.	 <p><b>Dr. Josephine Miyonga</b> <i>member</i></p>	<p>Dr. Josephine Miyonga Kilifi joined the board on 9th February 2022. She holds a PhD in Business Administration (Strategic Management) from JKUAT, Master's degree in Business Administration from JKUAT and Bachelor of Business Administration degree from Kenya Methodist University (Marketing Option). To date she has 31 years of working experience and was born in 1964.</p>
6.	 <p><b>Mr. Finyange Nicodemus Pole</b></p>	<p>Mr. Finyange Nicodemus Pole joined the board on 9th February 2022. He is a horticulturalist who aspires to attain expertise in sustainable agriculture, product development; science and technology management, promotion of technology development and transfer, and to manage agriculture and scientific projects. He is currently a PhD Candidate at Kenyatta University, Has a MSc and BSc in Agriculture &amp; Rural Development from Kenya Methodist University. Born in 1965 he has more than 25 years of working Experience</p>
7.	 <p><b>Mr. Mwangandi Kalume Kiponda</b></p>	<p>Mr. Mwangandi Kalume Kiponda joined the board on 9th February 2022. Currently MSc Candidate in Applied Statistics at Technical University of Mombasa. He has a BSc in Statistics and Programming from Kenyatta University. Born in 1988 with 7 years of working Experience in Programming, Data Management and Analysis in Stata and R; data entry, cleaning, preliminary analysis, and Presentation in R using the R-Studio Integrated Development Environment (IDE).</p>

# GODOMA TECHNICAL TRAINING INSTITUTE



## Annual Report and Financial Statements for the year ended 30th June 2025

### 4. Key Management Team

1.	 <p><b>Mr. Lidugu Sebastian Shikoli- Principal</b></p> <p>Mr. Lidugu Sebastian Shikoli was born in 1966. He is currently the chief Principal of Godoma TTI. He is an experienced, skilful and accomplished educationist with Administrative and Technical support skills. He holds an MBA-Human resource Management Option from Kenyatta University. He has over 30 years of experience in technical Education Management. He has served in various capacities, as a registrar at Shamberere TTI, Deputy principle – Shamberere TTI, Examination officer at KTTC (currently Kenya School of TVET), Deputy HOD -Entrepreneurship Development. HOD- Mechanical Engineering – Technology Development centre-Athi River, HOD – Mechanical Engineering - Kaiboni TTI, Registrar -Sigalagala TTI(Current Sigalagala National Polytechnic), HOS – Mechanical Engineering -Sigalagala TTI. Currently a PHD candidate of Jomo Kenyatta University of Agriculture and Technology.</p>	<p><b>Principal's Duties &amp; Responsibilities:</b></p> <ul style="list-style-type: none"> <li>• Setting performance objectives for trainers and trainees</li> <li>• Implementing and monitoring school policies and safety protocols</li> <li>• Over viewing administrative tasks e.g. updating employee records</li> <li>• Oversee day-to-day school operations</li> <li>• Manage institute logistics and budgets</li> <li>• Set learning goals for trainees and trainers based on national curricula</li> <li>• Monitor and report on trainers performance</li> <li>• Present data from Institute performance to board members</li> <li>• Research new resources and techniques to improve training</li> <li>• Interview and hire institute personnel</li> <li>• Review and implement institute policies</li> <li>• Provide guidance and counselling to trainers</li> <li>• Handle emergencies and institute crises</li> <li>• Organize institute events and assemblies</li> <li>• Ensure a safe and clean environment for trainees (e.g. implementing hygiene rules)</li> </ul> <p>Attend conferences to gain knowledge on current educational trends  <b>NB/</b> The principal is not a member of secretarial body (not registered)</p>
2.	 <p><b>MS CAROLINE</b></p> <p><b>Deputy Principal Academics</b></p> <p>Ms Caroline has served as Deputy Principal Godoma Technical Training Institute since February 2025. She holds a masters in educational technology and served as an assessment officer/research officer at TVET CDACC. She also served as HOD Mechanical Engineering at Coast Institute of Technology.          To date she has 11 years of working experience and was born in 1991.</p>	<p><b>Deputy Principal Academics Affairs Responsibilities:</b></p> <ul style="list-style-type: none"> <li>• Teaching the subject of specialization.</li> <li>• Ensuring that students are adequately prepared registered and presented for the National Examinations in accordance to the Kenya National Examination Council Regulations and other examining bodies.</li> <li>• Identifying the appropriate curriculum for the institution.</li> <li>• Ensuring that examinations and assessments are carried out and that proper scheduling of training programmes are implemented.</li> <li>• Supervision of all training programmes in the institution.</li> </ul> <p>Supervising trainers and other institutional employees.</p>

# GODOMA TECHNICAL TRAINING INSTITUTE

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3.	 <p><b>Mr. Festus Mugogo</b> <b>Deputy Principal Finance</b></p> <p>Mr. Festus Mugogo has served as Ag. Deputy Planning, Administration and Finance of Godoma Technical Training Institute since January 2020. He holds a bachelor's degree of Computer Science from Pwani University; He also holds a Post Graduate Diploma in Customs Administration and Post graduate in Technical Education. Prior to his appointment, He served as Technician in Mombasa Technical Training Institute. To date he has 5 years of working experience and was born in 1992.</p>	<p><b>Deputy Principal Finance Duties &amp; Responsibilities:</b></p> <ul style="list-style-type: none"> <li>• Teaching the subject of specialization.</li> <li>• Planning, organizing and monitoring of all the administration activities</li> <li>• Ensure instructional materials are sourced, available and utilized by the trainers and trainees.</li> <li>• Coordinate staff appraisal.</li> <li>• Maintenance and safety of equipment</li> <li>• Networking with other departments on teaching and extra-curricular activities</li> <li>• Preparation of departmental timetable and harmonization with HODs</li> <li>• Submission of quarterly performance reports as and when required</li> <li>• Validation of data for continuing KUCCPS trainees to gain capitation</li> <li>• Maintaining of proper records of trainers and trainees</li> <li>• Record-keeping of fees paid per trainee and follow up of owing balances.</li> </ul> <p>Make prior arrangements for attachment when due</p>
4.	 <p><b>Ms. Phedinke Mambori</b> <b>Ag. Registrar</b></p> <p>Mrs. Phedinke Mambori has served as Head of Department ICT of Godoma Technical Training Institute since May 2017. Currently she is the Ag. Registrar. She holds a Bachelor of Education (Technology Education – Computer Studies) from University of Eldoret. To date she has 7 years of working experience and was born in 1991.</p>	<p><b>Registrar Duties &amp; Responsibilities:</b></p> <ul style="list-style-type: none"> <li>• Teaching the subject of specialization.</li> <li>• Maintenance of students' academic records.</li> <li>• Coordination of promotion of all academic programmes.</li> <li>• Coordination of verification of graduation data.</li> <li>• Coordination of certification of graduating students.</li> <li>• Preparation and monitoring of departmental annual budget.</li> <li>• Supervision and guidance of BOG staff.</li> <li>• Overall supervision and guidance of departmental staff.</li> <li>• Secretary to the heads of departments' committee meetings.</li> </ul> <p>Performing any other relevant duty assigned by the Head of the Institution</p>

# GODOMA TECHNICAL TRAINING INSTITUTE

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**Mr. Franco  
Mwangala**

**Ag. Dean of Students**

Mr. Franco Mwangala has served as Ag. Dean of students of Godoma Technical Training Institute since January 2020. He holds a bachelor's degree of Computer Science from Kenyatta University. Prior to his appointment, He served as branch Manager Mombasa Quality Inspectors Ltd.

To date he has 7 years of working experience and was born in 1984.

**Dean Duties & Responsibilities:**



- Teaching the subject of specialization.
- General guidance and counselling of students.
- Formulation and review of policies and guidelines directly related to students e.g. Students governing council.
- Overseeing the welfare of students.
- Students discipline monitoring.
- Issuance of students ID cards to bonfide students.
- Budgeting for activities that involve students.
- Registration and monitoring clubs and societies.
- Election and running of students Government.
- Application and scrutiny of HELB loans and bursaries.
- Addressing public grievances (ombudsman).
- Resolution of students conflicts, grievances and complaints.

Advising Principal on decisions and social clubs and societies.

5.

# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

6.		<p><b>CPA Joseph Muema David</b>  <b>Finance Officer</b>  <b>ICPAK</b>  <b>No:33,319</b></p> <p>Mr. CPA Joseph Muema David joined the Institute in October 2020. He holds a Certified Public Accountancy Part I, II and III, (CPA-K) from Vision Institute of Professional and Star Institute of Professional Studies respectively. Currently, he is perusing a Bachelor's degree of Commerce (B.Com) at Mount Kenya University. He worked as an assistant accountant at Bandari Sacco and Yalfa Enterprise Limited. To date he has 7 years of working experience and was born in 1990.</p>	<p><b>Finance Officer Duties &amp; Responsibilities:</b></p> <ul style="list-style-type: none"> <li>• Prepare final accounts that reflect true and fair view of the financial position of the institution to ensure compliance with the statutory requirements.</li> <li>• Ensure proper interpretation and implementation of financial regulations and procedures, government circulars, letters and instructional to comply with statutory requirement.</li> <li>• Review funds disbursement requests from department heads, and approve as appropriate.</li> <li>• Advise the institution management on all financial matters.</li> <li>• Oversee preparation and submission of statutory reports.</li> <li>• Develop the institution budget.</li> <li>• Maintain inventory of all bank accounts to monitor the liquidity status of the institution.</li> <li>• Ensure availability of funds for day to day activities for efficient and effective running of the institution.</li> <li>• Sign cheques and vouchers within the required/set threshold for prudent and timely execution to enhance smooth running of the institution's operations.</li> </ul>
<b>SN.</b>	<b>Member/ Director</b>		<b>Details</b>
7.		<p><b>Mr. Leonard Nyamawi</b>  <b>Procurement Officer</b></p> <p>Mr. Leonard Nyamawi holds a B.com in Procurement Supply Chain management from the University of Nairobi, Currently pursuing MSc. in Procurement &amp; Logistics from Jomo Kenyatta University of Agriculture and Technology and a certificate in accounting packages. He previously worked at Barclays</p>	<p><b>Procurement Officer Duties and Responsibilities:</b></p> <ul style="list-style-type: none"> <li>• Develop and implement the institution procurement strategy to ensure timely procurement of goods and services</li> <li>• Present procurement reports to the management to ensure proper recommendations on the gaps identified</li> <li>• Coordinate and monitor the implementation of the board procurement recommendations to ensure the implementation meets the set timelines and is compliant with Public Procurement Act and Regulations</li> <li>• Coordinate the preparation of the procurement work plan to ensure the timely delivery of goods and services</li> <li>• Coordinate timely preparation of the institution</li> </ul>

# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

	<p>Bank Of Kenya, Kenya Ferry services and County Government of Mombasa in the Procurement and Supplies Departments. To date she has 7 years of working experience and was born in 1984.</p>	<p>procurement budget to ensure sufficient resources are allocated for the implementation of the procurement plan. Ensure proper maintenance of records and documents for easy retrieval of information when required.</p>
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# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

### 5. Chairman's Statement

#### Introduction

Godoma Technical Training Institute was initiated by the Government of Kenya as an AfDB project through the Ministry of Education in Ganze Sub-county of Kilifi County. The institute vision is to be "A Centre of Excellence in Technical Training, Research and Business Incubation".

The institute Phase I (built as a department of Electrical) has seven modern classrooms and two Electrical Engineering workshops with state of the art electrical equipment. Phase II was built as a department of Building and Civil Engineering having four workshops, four labs and four classrooms with state of the art equipment.

A new Board was appointed and has formed the committees named below, chaired as follows:

- i. Finance and Human Resource Committee – Dr. Kalandar Kamalkhan
- ii. Academic Committee – Dr. Josephine Kilifi
- iii. Audit and Risk Committee – Mwangandi Kiponda

The Board commits to produce competent market-oriented trainees and to nurture talents exhibited by the trainees.

Construction of Phase II as a department of Building and Civil Engineering with state-of-the art equipment. The enrolment is upto 1,500 trainees. The Institute offers courses in both technical and business areas at different levels. CBET and NITA courses have been rolled out to impact skills to trainees to give the required manpower for delivery of the Big Four Agenda as stipulated by the Government of Kenya.

The Institute receives capitation from the Ministry of Education, collects fees from sponsors (such as the National Youth Service, GIZ, KCBF) and self-sponsored students and HELB is awarded to trainees who apply and fulfils the requirements. A total of 26 Public Service Commission trainers and almost 30 trainers are employed on contract and part-time (as need arise). This results in heavy financial pressure in paying of huge salaries to the BOG employees.

#### Challenges facing the Institute

Godoma Technical Training Institute is experiencing the following challenges:

- i) Transport for students and staff – the Institute does not have a bus to ferry students or staff especially during activities such as drama and music, sports and games. If assisted to acquire a bus, it would also serve as a marketing tool to help us boost our enrolment. A 62-passenger capacity bus will also enhance in income generation.
- ii) Lack of accommodation facilities.
- iii) Insufficient PSC Trainers
- iv) Constrained funds to pay salaries of BOG staff and other expenses such as the pending bill of audit fee.

We look forward to producing quality and competent technical trainees equipped with entrepreneurial skills to satisfy manpower needs of the local and international market through training and research.

Thank you.

  
.....  
**JILLO KASSE**  
**CHAIRMAN BOARD OF GOVERNORS**

Date..... 3/12/2025 .....

# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

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### 6. Report of the Chief/Senior Principal

#### Key activities during the year

The Godoma Technical Training institute officially enrolled trainees in the year 2016. The institution was registered by the TVET Authority to offer a variety of courses in various departments. The key activities during the 2024/2025 Financial Year were as follows:

#### 1. Appointment of Board of Governors

The institute has had third Board who were appointed on 9th February 2022 comprising of (seven) 7 members, having the BoG secretary (Principal) and the Regional Coordinator.

#### 2. Trainee Activities

- KNEC, NITA Examinations
- Industrial Attachment/Placement and supervision of trainees.
- Educational tours for trainees in various departments such as Electrical, ICT and Hospitality which includes both Food& Beverage and Tourism sections.
- Participation in TVET fairs both regional and national levels
- Participation in extracurricular activities i.e. sports and games, music and drama.

#### 3. Staffing and staff development

The Institute has 17 teaching staff deployed by PSC trainers and 19 BOG trainers. There are 27 non-teaching staff and 10 support staff. Cleaning and security services are outsourced.

We managed to send eight (8) staff for training during the year to improve in their performance.

#### 4. Success consolidated

Extra curriculum activities

Examinations for both internal and external students were successfully administered.

Training of students.

The Institute has the following academic departments:

- Electrical and Electronics Engineering,
- ICT
- Business Studies
- Building & Civil Engineering
- Hospitality and Tourism
- Agricultural And Environmental Studies
- Fashion Design And Cosmetology

**REPORT OF THE PRINCIPAL (CONTINUED)**

**5. Challenges**

The management has faced a number of challenges.  
Some of which are explained as follows: -

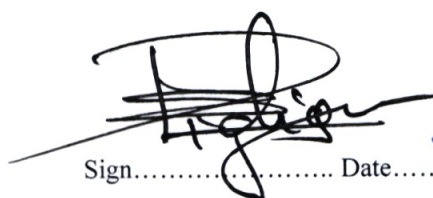
- Shortage of trainers in Building and Civil Engineering.
- Shortage of trainers in electrical department.
- Shortage Of PSC Trainers In Fashion And Design And Cosmetology Department
- The Business Department has been handled fully by trainers hired by the(BOG)
- Insecurity due to lack of CCTV
- The Institute lacks an Institute bus
- Constrained Finances due to huge wage and salary bills

Future outlook of the organization

- The Public Service Commission intends to hire technical trainers. We are optimistic that Godoma TTI will get more PSC trainers hence minimize the Huge wage bills in the next Financial Year.
- The institute has intentions of installing CCTV cameras to beef security at the Institute.
- The institute has embarked on an intensive market campaign at the same time seeking for more sponsorship for needy students.
- Expanded on Linkages with industries for attachment placement and exposure of our trainees.

Thank you.

LIDIGU SEBASTIAN SHIKOLI  
CHIEF PRINCIPAL

  
Sign..... Date 3/12/2025.....



# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

### 7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting to include in the financial statement, a statement of the national government entity's performance predetermined objectives.

Godoma Technical Training Institute has 4 strategic pillars and objectives within its Strategic Plan for the FY2024-2025. These strategic pillars are as follows:

Pillar/ theme/issue 1: Human Resource Development

Pillar/ theme/ issue 2: Information Communication Technology

Pillar/ theme/ issue 3: Gender and youth development

Pillar/ theme/ issue 4: Education and training

Godoma Technical Training Institute develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Godoma Technical Training Institute achieved its performance targets set for the FY 2024/2025 period for its (4) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Human Resource Development	To improve human resource capacity	Number of additional BOG staff engaged.	Employ more BOG staff	Additional BOG staff employed.
Information Communication Technology	To fully integrate ICT in the Institute.	Number of ICT equipment purchased	Purchase additional ICT equipment for the Institute	ICT equipment purchased
Gender and youth development	To develop responsible youth to contribute to national development	Number and type of information provided	Provision of information	Information on drugs provided
Education and training	New and modern methods of Training enhanced	Number of new techniques introduced	New and modern methods of Training enhanced	Modern Training techniques in place

**GODOMA TECHNICAL TRAINING INSTITUTE**  
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**8. Corporate Governance Statement**

Godoma Technical Training Institute is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which the Board, management, staff and trainees conduct the business of the organization. As a public-sector organization dedicated to providing quality service to its stake holders, the Institution decisions are guided by the core tenets prescribed in the public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, corporate Governance guidelines Board and Board Committee Charters. The Institution endeavors to develop, strengthen and sustain the trust that the Government, employees, trainees and public has placed in it. The board is committed to regularly evaluate national and international emerging standards in responsible, transparent, and efficient management with a view of enhancing corporate governance at the Institution and consistently deliver on its statutory mandate.

**i. Appointment of Board Members**

**Process of Appointment:**

Board members are nominated through a transparent and merit-based process led by the Nomination and Governance Committee. Shortlisted candidates are evaluated based on professional qualifications, integrity, leadership experience, and alignment with the organization's strategic objectives. Final appointments are approved by the full Board and ratified by the Annual General Meeting (AGM).

**Removal of Directors:**

Directors may be removed through a resolution of the Board or shareholders if they breach governance standards, fail to attend three consecutive meetings without reasonable cause, violate ethical provisions, or become incapable of performing their duties.

**Board Size, Diversity, and Demographics:**

The Board consists of **seven (7) members**, reflecting diversity in gender, age, skills, and professional background. Diversity is recognized as essential for balanced decision-making and effective oversight.

**Existence of Board Charter:**

The Board operates under a formal Board Charter that outlines its roles, responsibilities, authority limits, and expected ethical behavior. The Board Charter is reviewed every two years or as necessary.

**ii. Roles and Functions of the Board**

The Board provides strategic direction and oversight to ensure the organization meets its mission and long-term goals. Its roles include:

- Approving strategic plans and budgets
- Overseeing risk management and internal controls
- Monitoring organizational performance
- Ensuring compliance with laws, regulations, and standards

# **GODOMA TECHNICAL TRAINING INSTITUTE**

## **Annual Report and Financial Statements for the year ended 30th June 2025**

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- Approving major financial decisions and policies
- Safeguarding shareholder and stakeholder interests
- Appointing and evaluating senior management

### **iii. Induction, Training, and Development**

Newly appointed Board members undergo a structured induction program covering governance principles, organizational operations, financial systems, and regulatory obligations.

Continuous training is provided through seminars, workshops, and annual governance retreats to enhance Board members' competencies and keep them updated on emerging trends and best practices.

### **iv. Board and Members' Performance**

The Board conducts annual performance evaluations covering collective effectiveness, individual member performance, committee functionality, and compliance with governance standards. External assessments are commissioned every three years to ensure objectivity and continual improvement.

### **v. Number of Board Meetings and Attendance**

During the reporting period, the Board held four (4) scheduled quarterly meetings and two (2) special meetings, totaling six (6) meetings.

Attendance is recorded for each meeting and forms part of the annual evaluation.

### **vi. Succession Plan**

A formal Succession Plan exists to ensure continuity in Board and senior management leadership. The plan outlines procedures for emergency, interim, and long-term replacement of key leaders, ensuring talent readiness and smooth transitions.

### **vii. Policy to Manage Conflict of Interest**

The organization maintains a Conflict of Interest Policy requiring Board members to declare any personal or financial interests that may impair their independence. A register of interests is maintained, and members recuse themselves from discussions or decisions in which a conflict exists.

### **viii. Board Remuneration**

Board remuneration is based on the Remuneration Policy, which considers organizational size, industry standards, and workload. Directors receive sitting allowances, reimbursable expenses, and an annual retainer approved by shareholders. Remuneration is reviewed periodically to ensure fairness and competitiveness.

# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

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### ix. Ethics and Conduct

The Board adheres to a Code of Ethics and Conduct promoting integrity, accountability, transparency, and professionalism. All members sign an annual ethics declaration, and violations are subject to disciplinary action.

### x. Governance Audit

A Governance Audit is conducted annually in accordance with applicable governance standards. The audit evaluates compliance, governance structures, risk management, ethical practices, and decision-making processes. Findings are discussed by the Board and form the basis for continuous improvement.

### xi. Communication Policy

The organization maintains a Communication Policy that ensures transparent, accurate, and timely communication with stakeholders. It outlines protocols for media communication, stakeholder engagement, crisis communication, and confidentiality requirements.

### xii. Terms of Reference for Board Committees

The Board has established several committees, each governed by formal Terms of Reference that define their mandate, authority, membership, and reporting structures. Key committees include:

- **Audit & Risk Committee** – Oversees financial reporting, risk management, and internal controls.
- **Finance & Strategy Committee** – Handles budgeting, strategic planning, and investment oversight.
- **Human Resource & Governance Committee** – Manages recruitment, performance evaluation, governance standards, and Board development.

Each committee reports to the Board quarterly.

### xiii. Policy on Related Party Transactions

The organization applies a Related Party Transactions Policy to ensure transparency and prevent conflicts of interest. All related party transactions are:

- Declared and recorded
- Evaluated for fairness and arm's-length terms

## **9. Management Discussion and Analysis**

### **Section I: Operation and Financial**

#### **Performance**

Godoma Technical Training Institute is a public institution which relies on government funding through capitation and fees paid by students. This makes it a non-profit making organization. Due to reduced GoK grants the organization has not been able to accomplish its projected activities in its budget hence having projects and other activities notable be finished in the stipulated time in the contracts.

### **Section II: Compliance with the statutory Requirements**

Godoma Technical Training Institute complies with the statutory obligations and remittance of the statutory deduction; SHIF, NSSF, HOUSING LEVY, NITA and PAYE as required by the law

### **Section III: Projects undertaken**

The key projects that Godoma TTI undertook are listed below and their source of funding

- i) Magarini TTI funded by the Ministry of Education
- ii) Rabai TTI which was under the equalization fund core funded by the MoE and the NG-CDF of the Rabai constituency
- iii) Phase(iii) funded by the Ministry Of Education

### **Section IV: Financial and Management Risks**

Major risks that are facing the institution include.

- Inadequate funding by the Ministry of education on capitation/operation and development grant
- Delayed funding
- Poor fees payment
- Delays in paying suppliers due to late funding
- Shortage of PSC staff

Due to the above factors the institute is facing serious challenges in meeting its operations obligation fully resulting to pressure from creditors.

## **10. Environmental And Sustainability Reporting Statement**

### **Sustainability strategy and profile**

Our sustainability strategy is aligned with our core mission of achieving long-term value while promoting environmental stewardship, social responsibility, and economic stability. As an organization, we are committed to integrating sustainable practices into every aspect of our operations, recognizing that a proactive approach to sustainability contributes not only to the well-being of our stakeholders but also to the broader community and the planet.

# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

Under the guidance of our top management, especially the accounting officer, we have established clear sustainability goals and integrated them into our corporate framework. Our leadership is committed to ensuring that sustainability is a central focus in decision-making, with particular attention to addressing both immediate environmental impacts and longer-term sustainability objectives.

### Key Achievements

**Reduction in Carbon Footprint:** We have made significant strides in reducing our carbon emissions. Over the past year, we achieved a 15% reduction in greenhouse gas emissions, thanks to the implementation of energy-efficient technologies and the adoption of renewable energy sources across our facilities.

**Circular Economy Practices:** We have implemented a robust waste-reduction program, with 60% of our production waste now being recycled or reused, a substantial increase from previous years. This includes investing in circular economy solutions for product design and packaging.

**Sustainable Supply Chain:** Our supply chain management now reflects a commitment to sustainability, with 80% of our suppliers meeting stringent environmental and ethical sourcing criteria.

### Environmental performance

Below is a highlight of strategies and activities that promote the organization's strategic objectives.

- Installation of gutters to collect rain water to supplement the fresh piped water from KIMAWASCO which is charged highly in order to cut the operation cost. The organisation had projected in its budget to construct a water treatment plant to recycle the waste water to supplement the fresh piped water in order to reduce the operation cost as well as provide an alternative source of water for other activities in the institute.
- Planting of trees to prevent erosion as our land topology is sloppy which in turn gives us a better look as the cover of the trees serves as beautification as well as to curb global warming
- We use solar panels in our phase II as a source of power which reduces cost of operation as well as utilization of available resources
- Increase enrolment.

### Employee welfare

- Treating employees with fairness and respect, support staff development through allowing its staff to attend trainings and workshops, volunteering in community and county, and national government activities.

### Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Our organization is committed to upholding the highest standards of responsible competition. This includes:

# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

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**Responsible Political Involvement:** We ensure that any political involvement is transparent, non-partisan, and aligned with our organizational values. We adhere to all relevant laws and regulations regarding political contributions and lobbying efforts. Our leadership takes steps to ensure that our political activities do not compromise the integrity of the organization or distort fair competition.

**Fair Competition:** We believe in fostering a competitive but fair marketplace. We comply with antitrust laws and are committed to not engaging in anti-competitive practices such as price-fixing, market manipulation, or unfair collusion. Our competitive practices are designed to ensure consumers and businesses alike have equal opportunities and that market dynamics are not unfairly influenced.

**b) Responsible Supply chain and supplier relations**

We recognize that our responsibility extends to our supply chain, and we work hard to maintain ethical business relationships with all our suppliers. Our efforts include:

**Honouring Contracts:** We prioritize building long-term, mutually beneficial relationships with our suppliers. We ensure that all contracts are fair, transparent, and respected, with clear terms agreed upon by all parties. We avoid renegotiating contracts or introducing unreasonable terms after agreements are made.

**Respecting Payment Practices:** We are committed to timely and fair payment for goods and services. We adhere to agreed-upon payment schedules and strive to resolve any payment disputes promptly. Our payment practices align with international standards to ensure fair financial dealings.

**Supplier Responsibility:** We encourage our suppliers to follow similar ethical standards in their operations, particularly regarding human rights, labour conditions, environmental responsibility, and anti-corruption practices. We regularly audit our suppliers to ensure they meet these standards and provide support where needed to help them improve their practices.

**c) Responsible marketing and advertisement**

Our organization is committed to ethical marketing practices that are truthful, transparent, and responsible. Our efforts in this area include:

**Honesty and Transparency:** We ensure that all advertisements accurately represent our products and services. Misleading claims, exaggerated benefits, or deceptive imagery are strictly prohibited. We aim to provide our customers with all relevant information, empowering them to make informed purchasing decisions.

**Respect for Privacy:** We adhere to privacy regulations in all our marketing activities, particularly in digital and online advertising. Our marketing practices are designed to protect customer data and respect their preferences.

**Social Responsibility in Advertising:** We are committed to promoting responsible and socially-conscious products and services. Our campaigns reflect our values and do not exploit vulnerable groups or reinforce harmful stereotypes. We aim to promote positive societal impacts through our advertising content.

**d) Product stewardship.**

As part of our commitment to consumer rights and interests, we actively practice product stewardship across all stages of product development and lifecycle management. This include:

# GODOMA TECHNICAL TRAINING INSTITUTE

## Annual Report and Financial Statements for the year ended 30th June 2025

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**Education:** We support educational initiatives by offering scholarships, funding for schools, and partnerships with local educational institutions. We also prioritize training and development programs for our employees to help them grow professionally.

**Sports:** We actively promote sports and physical well-being through community engagement, sponsorships, and providing facilities for sports activities. Our company also organizes internal wellness programs to encourage employees to lead active, healthy lifestyles.

**Healthcare:** We contribute to healthcare by supporting health initiatives, sponsoring medical research, and ensuring that our employees have access to quality health benefits. We also strive to develop and offer products that improve public health outcomes.

**Labor Relations:** We maintain open communication with our employees and strive for constructive dialogue to ensure fair labor practices. We support workers' rights, provide competitive wages, and ensure a safe and supportive work environment.

**Water and Sanitation Initiatives:** Our organization is committed to responsible water usage in our operations and has partnered with local and international organizations to improve access to clean water and sanitation facilities in underserved communities.

### Corporate Social Responsibility / Community Engagements

- The student council has a budget on community day where students visit children home around Malindi and in the Coast region, they also participate in cleaning and tree planting in Malindi town during environmental days.
- Our students mostly reside in Godoma and other areas around Matanomanne market which has boasted local Investor who have rental houses and cafeteria respectively.

**GODOMA TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**11. Report of the Council/Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Institute affairs.

**Principal activities**

The principal activity of the institute is the provision of technical, vocational, entrepreneurship training and research.

**Results**

The results of the institute for the year ended June 30, 2025 are set out on page.

**Council/Board of Governors**

The Members of the Institute board who served during the year are shown on page VI to VII.

**Auditors**

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

LIDIGU SEBASTIAN SHIKOLI  
**Secretary of the Board/Council**  
**Kilifi**  
**Date:**

**12. Statement of Board of Governors/ Council's Responsibilities**


Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require the council members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The council members are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The council members are also responsible for safeguarding the assets of the institute.

The council members are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances. The council members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act, and the TVET Act. The council members are of the opinion that the Institute financial statements give a true and fair view of the state of Institute transactions during the financial year ended June 30, 2023, and of the Institute's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

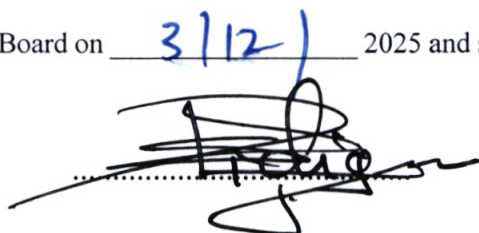
Nothing has come to the attention of the Board members to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Institute's financial statements were approved by the Board on 3/12/2025 and signed on its behalf by:

.....  


**Name: Jillo Kasee**  
**Chairperson of the Board/Council**

.....  


**Name: Lidigu Sebastian Shikoli**  
**Accounting Officer/Principal**



# REPUBLIC OF KENYA



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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON GODOMA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025 – KILIFI COUNTY**

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### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Godoma Technical Training Institute – Kilifi County set out on pages 1 to 33, which comprise of the statement of

financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Godoma Technical Training Institute – Kilifi County at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Statement of Financial Position**

Review of the statement of financial performance revealed the following:

#### **i. Inaccurate Revenue from Rendering of Services**

The statement of financial performance reflects revenue from rendering of services (fees from students) totalling to Kshs.73,990,700. However, revenue report reflects an amount of Kshs.5,847,294 as tabulated below which has not been disclosed as part of revenue:

<b>Revenue Stream</b>	<b>Amount-Kshs</b>
Centre Fees	48,000
Laboratory Coat	85,369
Student debtors	5,713,925
<b>Total</b>	<b><u>5,847,294</u></b>

In addition, a breakdown and details of the amount collected on account of student debtors of Kshs.5,713,925 was not provided.

#### **ii. Inaccurate and Unsupported Expenditure on Repairs and Maintenance**

The statement of financial performance reflects repairs and maintenance totalling Kshs.7,500,000 as disclosed in Note 13 to the financial statements. Review of supporting documents revealed that included in the ledger is an amount of Kshs.569,835 paid vide voucher numbers 2600, 2601 and 2603 and which was supported by invoices that were in respect of services rendered in the year 2022 and therefore misclassified under expenditure on repair and maintenance. In addition, expenditure amounting to Kshs.2,248,623 was not supported by payment vouchers while an amount of Kshs.3,912,259 was not supported by tender documents, contract agreements and inspection and acceptance reports.

In the circumstances, the accuracy and completeness of statement of financial performance could not be confirmed.

## 2. Statement of Financial Position

Review of the statement of financial position revealed the following:

### i. Inaccurate Capital Fund and Net Assets Balance

The statement of financial position reflects a capital fund balance of Kshs.340,129,217 and net assets balance of Kshs.459,139,330. However, the recomputed balances in the statement of changes in net assets is Kshs.339,129,217 and Kshs.458,557,310 respectively resulting to unexplained variances of Kshs.582,020 rendering the statement of financial position not to balance.

### ii. Inaccurate Receivables from Exchange Transactions Balance

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.64,876,477 representing an increase of Kshs.9,142,364 from Kshs.55,734,113 as disclosed in Note 15(a) to the financial statements. The receivable balance includes Kshs.6,496,539 that is owed by one hundred and thirteen (113) students who have left the institution. Further, Note 15c to the financial statements reflects aging analysis of receivables from exchange transactions as detailed below:

Category	Amount-Kshs
Less than 1 year	14,142,364
Between 1-2 years	24,225,293
Between 2-3 years	22,575,292
Over 3 years	3,933,528
<b>Total</b>	<b>64,876,477</b>

However, this disclosure has not been supported by a detailed aging report and Management has not put in place a debtor's policy to in the collection and impairment of outstanding fees arrears.

### iii. Unsupported Inventories Balance

The statement of financial position reflects inventories balance of Kshs.3,913,640 as disclosed in Note 17 to the financial statements. However, review of the ledger revealed that the reported inventory balance included the balance as a 1 July, 2024 of Kshs.3,348,777 and additional inventory purchased in the year of Kshs.564,863. However, the inventory balance was not supported by annual stock take report, original stock taking sheets. Further, the inventory balance remained unutilized in the year and no provision for obsolete inventory was made in the financial statements.

### iv. Unsupported Additions to Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.387,462,238 in respect of property, plant and equipment as disclosed in Note 18 to the financial statements. Included in this balance are additions worth Kshs.1,161,040. Review of supporting documents revealed that the assets were purchased in cash from two (2) local suppliers which included an amount of Kshs.552,000 incurred on the purchase of four

(4) laptops that was not supported by user requisition, counter receipt and issue voucher, invoice and delivery note detailing the specification and serial numbers of the laptops supplied. In addition, a list showing how the laptops were distributed to the users was not provided while review of the entity's asset records revealed that three (3) computers acquired during the year at a cost of Kshs.414,000 and a printer costing Kshs.75,000 had not been included in the asset register. The asset register had missing crucial details such as location, acquisition dates, cost of the asset and serial numbers.

#### **v. Inaccurate and Long Outstanding Payables from Non-Exchange Transactions Balance**

The statement of financial position reflects payables from non-exchange transactions balance of Kshs.2,954,567 as disclosed in Note 20 to the financial statements. The balance includes retention balance of Kshs.2,308,808 and withholding tax amount of Kshs.645,759. However, the retention register reflects a balance of Kshs.2,391,701 resulting to unexplained variance of Kshs.82,983. The financial statement did not also include an aging analysis to confirm how long the amount had remained outstanding while the withholding tax balance of Kshs.645,759 recorded no movement from the balance disclosed in the prior year financial statements.

In the circumstances, the accuracy and completeness of statement of financial position could not be confirmed.

### **3. Inaccuracies in the Statement of Changes in Net Assets**

The statement of changes in net assets reflects capital fund balance of Kshs.340,129,217 and total change in net assets of Kshs.459,139,330 while the recomputed balances are Kshs.339,547,197 and Kshs.458,557,310 respectively resulting to unexplained variance of Kshs.582,020.

In the circumstances, the accuracy and completeness of statement of changes in net assets could not be confirmed.

### **4. Inaccuracies in the Statement of Cash Flows**

The statement of cash flows reflects total receipts of Kshs.82,473,652 and total payments of Kshs.81,321,655 resulting to net cashflows from operating activities of Kshs.1,151,997. However, review of the cash book and bank statements revealed that total actual receipts in the year amounted to Kshs.77,792,513 resulting in unexplained variance of Kshs.4,681,139 as tabulated below:

<b>Item</b>	<b>Amount Reported in the Cash Flow Kshs</b>	<b>Amount as per Records (Kshs)</b>	<b>Unexplained Variance (Kshs)</b>
Transfer from National Government Entities	20,050,087	19,344,948	705,139
Sale of goods	3,976,000	0	3,976,000
<b>Total</b>	<b>24,026,087</b>	<b>19,344,948</b>	<b>4,681,139</b>

In addition, the statement reflects net increase in cash and cash equivalents of Kshs.13,939,507 while the recomputed amount is a net decrease of Kshs.9,043

resulting to unexplained variance of Kshs.13,948,550. In addition, the statement reflects a cash and cash equivalents as at 30 June, 2025 of Kshs.9,117,803 while the recomputed balance is Kshs.4,812,661 resulting to unexplained variance of Kshs.4,305,142.

In the circumstances, the accuracy and completeness of statement of cash flows could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Godoma Technical Training Institute Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Institute in 2024/2025 revealed that the following eleven (11) issues remained unresolved:

<b>No.</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Unsupported revenue from other incomes
2	2023/2024	Unsupported receivables from exchange transactions
3	2023/2024	Long outstanding receivables
4	2023/2024	Use of goods and services
5	2023/2024	Repairs and maintenance
6	2023/2024	Inventory balance
7	2023/2024	Intangible assets balance
8	2023/2024	Inaccuracies in the financial statements
9	2023/2024	Irregular expenditure on fuel
10	2023/2024	Irregular composition of board of governors
11	2023/2024	Lack of internal audit function and audit committee

In addition, annex 1 on the implementation status of the auditor-general's recommendations has not been provided.

## **Other Information**

The Board of Governors are responsible for the Other Information set out on page iii to xxv which comprise of Key Entity Information and Management, The Council/Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief/Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of the Board of Governors/Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Irregular Board/Council Expenses**

The statement of financial performance reflects board/council expenses totalling Kshs.2,551,500 as disclosed in Note 11 to the financial statements. Review of the student register provided revealed that the institute had a total of six hundred and seventy-one (671) students during the financial year under review. However, the chair person was paid sitting allowances at a rate of Kshs.25,000 per each of the six (6) meetings attended amounting to Kshs.150,000 instead of the approved rate of Kshs.15,000 per sitting resulting to an over payment of Kshs.60,000 while each of the seven (7) members was paid allowances a rate of Kshs.15,000 for each of the six (6) meetings attended amounting to Kshs.90,000 per member instead of the approved rate of Kshs.10,000 per member per sitting resulting to an over payment of Kshs.30,000 per member. In addition, one (1) member was paid allowances a rate of Kshs.20,000 per sitting resulting to an over payment of Kshs.60,000. This was contrary to Paragraph 4 of the Ministry of Education Circular No. MOE/SDTVET/DTE/ADM/144

provides for remuneration of board of governors as per categories and for institutions with student's population between 500 and 1,499, Kshs.15,000 and Kshs.10,000 shall be paid to the chair person and the members respectively as sitting allowances and a night out of Kshs.10,000.

In addition, the Board expenditure included an amount of Kshs.1,042,500 spent on lunch and other expenses during a Board retreat and amount of Kshs.328,500 incurred on hire of the seminar hall which was not supported by local service orders, invoices and receipts while the expenditure on board related activities was not supported by attendance register, work plans and board minutes. This was contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that all receipts and payment vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

In the circumstances, Management was in breach of the law.

## **2. Irregular Budgeting and Procurement Planning**

The institute's annual budget amounted to Kshs.86,712,240 while the statement of comparison of budget and actual amounts reflects budget amount of Kshs.98,443,440 resulting in a variance of Kshs.11,731,200 that was not explained or reconciled. Review of the supporting documents revealed that the budget was approved by the Board on 6 April, 2025 only three (3) months to the end of the year. In addition, the procurement plan reflected an amount of Kshs.41,035,420 against the budgeted amount of Kshs.86,712,240 resulting to a variance of Kshs.45,676,820 while the procurement plan was not prepared using the format in the third schedule and did not disclose source of funds, expected time to process each tender, expected dates for Invite/advertise of tender, tender opening, tender evaluation, approval by the accounting officer, notification of award, signing of contract and time for completion of contract. In addition, the budget estimates and annual procurement plan did not include budget vote head for ease of reconciliation. This was contrary to Regulation 40 of the Public Procurement and Assets Disposal Regulations, 2020 on procurement planning and Regulation 41 on contents of a procurement plan.

In the circumstances, Management was in breach of the law.

## **3. Non- Compliance with Deduction and Remittance of Capacity Building Levy**

The statement of financial performance reflects expenditure totalling Kshs.53,674,237 on use of goods and services as disclosed in Note 9 to the financial statements. Included in this amount is Kshs.950,200 paid to a local trader on 27 February, 2025 without deduction of the capacity building levy. This was contrary to Section 24(5) (d) of the Public Procurement and Asset Disposal Act, 2015 which states that the funds of the Authority shall consist of capacity building levy of such percentage of the procurements contract price by public entities as may be prescribed by the Cabinet Secretary and as provided in Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023, which directed that there shall be paid a levy by a supplier and a procuring entity at the rate of zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Weak Information Communication Technology (ICT) and Internal Control Environment**

A review of ICT Internal control environment revealed that the Institute did not have IT strategic committee and steering committee responsible for providing guidance on IT-related decision-making processes. Further, the Institute does not have a documented training program to build IT capacity, a documented change request procedure to guide on system upgrades and provide basis for system changes backed up by approval from relevant authorities.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi




05 December, 2025

**GODOMA TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**14. Statement of Financial Performance For The Year Ended 30 June 2025**

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	20,050,087	9,338,500
Grants from donors and development partners		-	40,316,475
		<b>20,050,087</b>	<b>49,654,975</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	73,993,600	79,167,257
Other income/sale of goods	8	3,976,000	5,002,940
		<b>77,969,600</b>	<b>84,170,197</b>
<b>Total Revenue</b>		<b>98,019,687</b>	<b>133,825,172</b>
<b>Expenses</b>			
Use of goods and services	9	53,674,237	69,781,486
Employee costs	10	17,595,918	15,387,917
Board /Council Expenses	11	2,551,500	2,773,900
Depreciation and amortization expense	12	14,097,740	13,314,879
Repairs and maintenance	13	7,500,000	12,985,435
<b>Total Expenses</b>		<b>95,419,395</b>	<b>114,243,617</b>
<b>Net surplus/(deficit) for the year</b>		<b>2,600,292</b>	<b>19,581,555</b>

The Financial Statements set out on pages 1 to 33 were signed by:

 ..... <b>Chairman of Council/Board</b>	 ..... <b>Principal</b>	 ..... <b>Finance Officer</b> <b>ICPAK No 33,319</b>
Date... <u>3/12/2025</u> .....	Date... <u>3/12/2025</u> .....	Date... <u>3/12/2025</u> .....



**GODOMA TECHNICAL TRAINING INSTITUTE**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**15. Statement of Financial Position As At 30<sup>TH</sup> June 2025**

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	9,117,803	4,821,704
Current portion of receivables from exchange transactions	15(a)	64,876,477	55,734,113
Receivables from non-exchange transactions	16	2,818	0
Inventories	17	3,913,640	3,348,777
<b>Total Current Assets</b>		<b>77,910,738</b>	<b>63,904,594</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions	15(b)	-	-
Property, plant, and equipment	18	387,462,238	399,566,624
Intangible assets	19	308,976	763,290
<b>Total Non-Current Assets</b>		<b>387,771,214</b>	<b>400,329,914</b>
<b>Total Assets (A)</b>		<b>465,681,952</b>	<b>464,234,508</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from non –exchange transaction	20	2,954,567	4,775,507
Trade and other payables from exchange transactions	21	3,176,055	3,147,983
Refundable deposits from customers	22	412,000	354,000
<b>Total Current Liabilities(B)</b>		<b>6,542,622</b>	<b>8,277,490</b>
<b>Net Assets (A-B)</b>		<b>459,139,330</b>	<b>455,957,018</b>
<b>Represented By:</b>			
Accumulated Surplus		119,010,113	116,409,821
Capital Fund		340,129,217	339,547,197
<b>Net Assets</b>		<b>459,139,330</b>	<b>455,957,018</b>

The Financial Statements set out on pages 1 to 33 were signed by:

.....  
Chairman of Council/Board

Date... 3/12/2025 .....

.....  
Principal

Date... 3/12/2025 .....

.....  
Finance Officer ICPAK No 33,319

Date... 3/12/2025 .....



**GODOMA TECHNICAL TRAINING INSTITUTE****Annual Report and Financial Statements for the year ended 30th June 2025****16. Statement of Changes in Net Asset For The Year Ended 30 June 2025**

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2023</b>	-	96,828,266	339,547,197	436,375,463
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	19,581,555	-	19,581,555
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2024</b>	-	<b>116,409,821</b>	<b>339,547,197</b>	<b>455,957,018</b>
<b>At July 1, 2024</b>	-	<b>116,409,821</b>	<b>339,547,197</b>	<b>455,957,018</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	2,600,292	-	2,600,292
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2025</b>	-	<b>119,010,113</b>	<b>340,129,217</b>	<b>459,139,330</b>

## GODOMA TECHNICAL TRAINING INSTITUTE

### Annual Report and Financial Statements for the year ended 30th June 2025

#### 17. Statement of Cash Flows For The Year Ended 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		20,050,087	9,338,500
Grants from donors and development partners		-	40,316,475
Rendering of services- fees from students		58,447,565	79,167,257
Sale of goods		3,976,000	5,002,940
<b>Total Receipts</b>		<b>82,473,652</b>	<b>133,825,172</b>
<b>Payments</b>			
Use of goods and services		53,674,237	69,781,486
Employee costs		17,595,918	15,387,917
Board /Council Expenses		2,551,500	2,773,900
Repairs and maintenance		7,500,000	12,985,435
<b>Total Payments</b>		<b>81,321,655</b>	<b>114,243,617</b>
<b>Net Cash Flows from operating activities</b>		<b>1,151,997</b>	<b>19,581,555</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(1,161,040)	(17,541,208)
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>(1,161,040)</b>	<b>(17,541,208)</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>0</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>13,939,507</b>	<b>1,271,335</b>
Cash and Cash equivalents at 1 JULY		<b>4,821,704</b>	<b>3,550,369</b>
<b>Cash and Cash equivalents at 30 JUNE</b>		<b>9,117,803</b>	<b>4,821,704</b>

## GODOMA TECHNICAL TRAINING INSTITUTE

Annual Report and Financial Statements for the year ended 30th June 2025

### 18. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR YEAR ENDED 30 JUNE 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Budget carryovers from the previous year*</b>	-	0	0	0	0	0
<b>Receipts</b>						
Transfers from other National Government entities	6,480,000		6,480,000	20,050,087	(13,570,087)	309%
Unconditional grants(development)	14,000,000		14,000,000	-	14,000,000	0%
Rendering of services- fees from students	74,061,940		74,061,940	73,993,600	71,240	99.9%
Sale Of Goods/Other Incomes	3,901,500		3,901,500	3,976,000	(74,500)	101.9%
<b>Total Receipts</b>	<b>98,443,440</b>		<b>98,443,440</b>	<b>98,019,687</b>	<b>423,753</b>	<b>99.6%</b>
<b>Payments</b>						
Use of goods and services/general expenses	63,707,390	-	63,707,390	53,674,237	10,033,153	84.3%
Employee costs	10,150,000	-	10,150,000	17,595,918	(7,445,918)	173.4%
Board /Council Expenses	1,581,200	-	1,581,200	2,551,500	(970,300)	161.4%
Repairs and maintenance	7,500,000	-	7,500,000	7,500,000	-	100%
Development Expenses	15,504,850	-	15,504,850	14,097,740	1,407,110	91%
<b>Total Expenditure Payments</b>	<b>98,443,440</b>	<b>-</b>	<b>98,443,440</b>	<b>95,419,395</b>	<b>3,024,045</b>	<b>97%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,600,292</b>	<b>-</b>	
<b>Budget notes</b>						
a) There was no increment of student enrolment during the year.						
b) There was an increment in capitation received from the government.						
c) There were no development receipts from the government.						

19. Notes to the Financial Statements

**1. General Information**

Godoma Technical Training Institute is established by and derives its authority and accountability from The Technical and Vocational Education and Training Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is the provision of technical, vocational, entrepreneurship training and research.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

## GODOMA TECHNICAL TRAINING INSTITUTE

### Annual Report and Financial Statements for the year ended 30th June 2025

#### 3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*
- ii. There are no new and amended standards issued in the financial year.
- iii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45: Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> </ol>

## GODOMA TECHNICAL TRAINING INSTITUTE

### Annual Report and Financial Statements for the year ended 30th June 2025

	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

#### iv. *Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year 2025.

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

##### **Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

##### **Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

##### **Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board on **xxx**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of the FY 2024/2025 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule of the Act.

***Sales tax/ Value Added Tax***

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

## GODOMA TECHNICAL TRAINING INSTITUTE

### Annual Report and Financial Statements for the year ended 30th June 2025

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#### **d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

#### **e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

#### **f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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#### **g) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

#### **h) Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

#### **i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

### ***Financial assets***

#### ***Classification***

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

#### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

#### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out.

***Financial liabilities***

***Classification***

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

**Inventories (Continued)**

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

**k) Provisions**

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

The Godoma TTI does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

***Contingent assets***

The Godoma TTI does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**m) Nature and purpose of reserves**

The Godoma TTI creates and maintains reserves in terms of specific requirements.

**n) Changes in accounting policies and estimates**

The *Entity* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**o) Employee benefits**

**Retirement benefit plans**

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**p) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**q) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**r) Related parties**

The Godoma TTI regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

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**s) Service concession arrangements**

The Godoma TTI analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**u) Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**v) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

## **5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Godoma TTI's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

### **Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the *Entity*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**6. TRANSFERS FROM OTHER NATIONAL GOVERNMENT ENTITIES**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Operational Grant	17,880,975	9,338,500
Scholarship	2,169,112	0
Development grants	0	40,316,475
<b>Total Government Grants and Subsidies</b>	<b>20,050,087</b>	<b>49,654,975</b>

**7. Rendering of Services**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Tuition Fees	31,801,694	31,601,794
Activity Fees	1,588,850	1,279,643
Accommodation Fees	15,279,700	19,851,451
Industrial Attachment Fees	46,000	315,500
Examination Fees	7,572,013	8,264,702
EW&C	1,315,722	1,042,750
Facilities And Materials	7,816,650	8,797,523
Registration Fees	652,000	421,800
Caution Fee	275,000	108,000
Student Id Card	164,000	84,600
Student Council Fee	361,500	266,300
Development Fee	124,000	881,663
Personal Emoluments	3,584,460	3,340,531
Insurance	254,800	803,800
LT&T	1,404,300	1,135,600
RMI	1,313,300	850,600
Arrears	249,611	(10,000)
Kuccps	-	46,500
Tveta Fees	190,000	84,500
<b>Total Revenue from The Rendering of Services</b>	<b>73,993,600</b>	<b>79,167,257</b>

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**8. Sale of Goods/ Other Incomes**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Coast Region Tvet Affairs	0	2,367,500
Hire Of Facility	51,780	-
Centre Fee	48,000	12,000
Laboratory Coat	85,369	607,480
Production Unit Income(Farm)	3,790,851	2,015,960
<b>Total Revenue from Sale of Goods</b>	<b>3,976,000</b>	<b>5,002,940</b>

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**9. Use of Goods and Services**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Teaching Equipment and Stores	7,465,037	9,186,506
Industrial attachment costs	100,000	-
Administration	704,415	2,299,341
Electrical & Electronics Dept.	1,457,667	2,250,500
Building & Civil Engineering Dept.	1,671,699	2,350,500
Electricity, Water And Conservancy	2,513,484	2,559,329
Examination Office Dept.	6,000	-
Security	2,652,675	2,422,000
Cleaning And Landscaping	1,879,200	2,726,800
Subscriptions	760,954	1,147,401
Marketing and Advertising	855,308	1,776,708
Examination fees	7,419,710	6,989,565
Activity Expense	1,123,157	2,758,637
Benchmarking	100,000	858,000
Local Transport & Travelling Expense	3,983,543	5,158,215
Fuel and oil	541,152	-
Insurance	87,763	1,552,322
Learning Materials	507,375	1,937,437
Boarding And Accommodation expense	14,940,218	15,478,613
Medical Expense	74,466	-
Printing and stationery	74,225	-
Contingencies	789,528	1,033,455
Corporate Social Responsibility	332,000	-
Education Tours	18,600	-
ASK Show Exhibitions	80,000	999,560
Bank Charges	34,731	158,249
Internet expenses	418,041	1,436,522
Performance Contracting	196,130	902,334
International Conference And Travel	-	384,687
Planning And Policy Development	-	815,377
Computer Expenses	651,630	750,500
Coast Region Athletics/Tvet Fair	476,929	1,848,928
Farm Expenses	1,758,600	-
<b>Total good and services</b>	<b>53,674,237</b>	<b>69,781,486</b>

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**10. Employee Costs**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Salaries and wages	13,136,317	13,136,317
Staff Capacity Building	4,354,001	2,146,000
Social contributions	105,600	105,600
<b>Employee Costs</b>	<b>17,595,918</b>	<b>15,798,315</b>

**11. Board/Council Expenses**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Members emoluments	2,551,500	2,773,900
<b>Total</b>	<b>2,551,500</b>	<b>2,773,900</b>

**12. Depreciation and Amortization expense**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Property, plant and equipment	13,265,426	12,603,599
Intangible assets	832,314	711,280
<b>Total depreciation and amortization</b>	<b>14,097,740</b>	<b>13,314,879</b>

**13. Repairs and Maintenance**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Property	2,671,699	0
Investment property – earning rentals	560,456	0
Equipment and machinery	2,057,134	0
Vehicles	564,456	0
Furniture and fittings	920,400	0
Computers and accessories	725,855	0
<b>Total Repairs and Maintenance</b>	<b>7,500,000</b>	<b>12,987,235</b>

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**14. Cash and Cash Equivalents**

Description	Bank account	FY2024-2025	FY2023-2024
		Kshs	Kshs
Kenya Commercial Bank-Current Account	1172676828	15,003	1,993,616
Kenya Commercial Bank-Development Account	1175175617	555	2,828,088
Kenya Commercial Bank-Rabai TVC	1281023884	9,033,315	0
Kenya Commercial Bank-Magarini A/C	1281023957	68,930	0
<b>Total Cash and Cash Equivalents</b>		<b>9,117,803</b>	<b>4,876,334</b>

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**15. Receivables from Exchange transactions****15.(a) Current Receivables from Exchange transactions**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	64,876,477	55,734,113
<b>Total Current Receivables</b>	<b>64,876,477</b>	<b>55,734,113</b>

**15.(b) Long-Term Receivables From Exchange Transactions**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable deposits	0	0
<b>Total Non-Current Receivables</b>	<b>0</b>	<b>0</b>

**15.(c) Ageing Analysis of Receivables from Exchange transactions**

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
	FY2024-2025	% of the total	FY2023-2024	% of the total
Less than 1 year	14,142,364	22%	13,933,528	25%
Between 1- 2 years	24,225,293	37%	17,933,528	32%
Between 2-3 years	22,575,292	35%	19,933,528	36%
Over 3 years	3,933,528	6%	3,933,528	7%
<b>Total</b>	<b>64,876,477</b>	<b>100%</b>	<b>55,734,113</b>	<b>100%</b>

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**16. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

Description	2023-2024	2022-2023
	Kshs	Kshs
Rabia Technical vocational college		0
Receivable from non-exchange transaction(capitation)	2,818	0
Development grants	0	0
<b>Total receivables from non-exchange transactions</b>	<b>2,818</b>	<b>0</b>

**17. Inventories**

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Consumable stores	718,668	369,600
Library Books	1,500,777	1,500,777
Maintenance stores	489,600	469,600
Electrical stores	281,400	269,600
Cleaning Materials stores	219,300	200,600
Catering stores	703,895	538,600
<b>Total Inventories</b>	<b>3,913,640</b>	<b>3,348,777</b>

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### 18. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation Rate</b>	<b>1%</b>	<b>2%</b>	<b>12.5%</b>	<b>10%</b>	<b>17.3%</b>	<b>12.5%</b>		
<b>Cost/valuation At 1 July 2023</b>	<b>1,100,000</b>	<b>394,674,238</b>	<b>4,800,000</b>	<b>25,610,702</b>	<b>7,657,100</b>	<b>140,000</b>	-	<b>433,982,040</b>
Additions	-	-	-	541,500	882,750	-	-	1,424,250
<b>At 30<sup>th</sup> June 2024</b>	<b>1,100,000</b>	<b>418,598,623</b>	<b>4,800,000</b>	<b>26,152,202</b>	<b>8,539,850</b>	<b>140,000</b>	-	<b>459,330,675</b>
Additions	-	-	-	240,000	921,040	-	-	1,161,040
<b>At 30<sup>th</sup> June 2025</b>	<b>1,100,000</b>	<b>418,598,623</b>	<b>4,800,000</b>	<b>26,392,202</b>	<b>9,460,890</b>	<b>140,000</b>	<b>17,380,475</b>	<b>477,872,190</b>
<b>Depreciation And Impairment</b>								
<b>At 1 July 2023</b>	-	<b>39,756,163</b>	<b>1,800,000</b>	<b>16,336,669</b>	<b>6,595,795</b>	<b>52,500</b>	-	<b>64,541,127</b>
Depreciation	-	7,893,485	600,000	2,615,220	1,477,394	17,300	-	12,603,399
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
<b>At 30 Jun 2024</b>		<b>47,649,648</b>	<b>2,400,000</b>	<b>18,951,889</b>	<b>8,073,189</b>	<b>69,800</b>	-	<b>77,144,526</b>
Depreciation	-	8,371,972	600,000	2,639,220	1,636,734	17,500	-	13,265,426
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2025</b>	-	<b>56,021,620</b>	<b>3,000,000</b>	<b>21,591,109</b>	<b>9,709,923</b>	<b>87,300</b>	-	<b>90,409,952</b>
<b>Net Book Values</b>								
<b>At 30<sup>th</sup> Jun 2024</b>	<b>1,100,000</b>	<b>370,948,975</b>	<b>2,400,000</b>	<b>7,200,313</b>	<b>466,661</b>	<b>70,200</b>	<b>17,380,475</b>	<b>399,566,624</b>
<b>At 30<sup>th</sup> Jun 2025</b>	<b>1,100,000</b>	<b>362,577,003</b>	<b>1,800,000</b>	<b>4,801,093</b>	<b>-249,033</b>	<b>52,700</b>	<b>17,380,475</b>	<b>387,462,238</b>

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**18(b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	1,100,000	-	1,100,000
Buildings	418,598,623	56,021,620	362,577,003
Plant And Machinery	140,000	87,300	52,700
Motor Vehicles including Motorcycles	4,800,000	3,000,000	1,800,000
Computers and Related Equipment	9,460,890	9,709,923	-249,033
Office Equipment, Furniture, And Fittings	26,392,202	21,591,109	4,801,093
Work-in -progress	0	0	17,380,475
<b>Total</b>	<b>460,491,715</b>	<b>90,409,952</b>	<b>387,462,238</b>

**19. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	3,783,570	3,556,400
Additions	378,000	227,170
<b>At end of the year</b>	<b>4,161,570</b>	<b>3,783,570</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	3,020,280	2,309,000
Amortization	832,314	711,280
	<b>3,852,594</b>	<b>3,020,280</b>
<b>At end of the year</b>		
<b>NBV</b>	<b>308,976</b>	<b>763,290</b>

**20. PAYABLES FROM NON-EXCHANGE TRANSACTIONS**

payables from non exchange transactions	2024-2025	2023-2024
	Kshs	Kshs
Retention Money	2,308,808	4,129,748
With-Holding TAX	645,759	645,759
<b>Total payables from non-exchange transactions</b>	<b>2,954,567</b>	<b>4,775,507</b>

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**21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Trade payables	0		0	
Fees paid in advance(unaccredited receipts)	133,930		133,930	
prepayments	3,042,125		3,267,170	
<b>Total Trade and Other Payables</b>	<b>3,176,055</b>		<b>3,401,100</b>	
<b>Ageing analysis:</b>	<b>FY2024-2025</b>	<b>% of the Total</b>	<b>FY2023-2024</b>	<b>% of the Total</b>
Under one year	225,045	7%	350,500	10%
1-2 years	2,817,080	89%	2,916,670	86%
2-3 years	133,930	4%	133,930	4%
Over 3 years	0	0%	0	
<b>Total (to tie to totals above)</b>	<b>3,176,055</b>	<b>100%</b>	<b>3,401,100</b>	<b>100%</b>

**22. Refundable Deposits from Customers/Students**

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Caution money	412,000		354,000	
<b>Total Deposits</b>	<b>412,000</b>		<b>354,000</b>	
<b>Ageing analysis:</b>	<b>FY2024-2025</b>	<b>% of the Total</b>	<b>FY2023-2024</b>	<b>% of the Total</b>
Under one year	58,000	14%	62,000	18%
1-2 years	354,000	86%	292,000	82%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
<b>Total (to tie to totals deposits above)</b>	<b>412,000</b>	<b>100%</b>	<b>354,000</b>	<b>100%</b>

- i. This because of the increase in the number of trainees
- ii. This is whereby there are some of the policies made by the board of director whereby when a trainee lost any material for the practical he/she the caution money should cater for the material.

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**23. Financial Risk Management**

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by The Company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2024</b>				
Receivables from exchange transactions	55,734,113			55,734,113
Receivables from non-exchange transactions	40,316,475			40,316,475
Bank balances	4,821,704			4,821,704
<b>Total</b>	<b>100,872,292</b>			<b>100,872,292</b>
<b>At 30 June 2025</b>				
Receivables from exchange transactions	64,876,477			64,876,477
Receivables from non-exchange transactions	2,818			2,818
Bank balances	9,117,803			9,117,803
<b>Total</b>	<b>73,997,098</b>			<b>73,997,098</b>

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**Financial risk management (continued)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade and other Payables from exchange transactions	3,401,100			3,401,100
Payables from non-exchange transactions	4,775,507			4,775,507
Refundable deposits from customers	354,000			354,000
<b>Total</b>	<b>8,530,607</b>			<b>8,530,607</b>
<b>At 30 June 2025</b>				
Trade and other Payables from exchange transactions	3,176,055			3,176,055
Payables from non-exchange transactions	2,954,567			2,954,567
Refundable deposits from customers	412,000			412,000
<b>Total</b>	<b>6,542,622</b>			<b>6,542,622</b>

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#### (iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

#### iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Accumulated surplus	119,010,113	119,010,113
Capital fund	340,129,217	340,129,217
<b>Total Funds</b>	<b>459,139,330</b>	<b>459,139,330</b>
Less: Cash and Bank Balances	(9,117,803)	(4,821,704)
Net Debt/(Excess Cash and Cash Equivalents)	(9,117,803)	(4,821,704)
<b>Gearing</b>	NIL	NIL

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**24. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

The transactions and balances with related parties during the year are as

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
a) Board Members Emoluments	2,551,500	2,773,900
b) Operational Grants	17,880,975	9,338,500
c) Receivables From Mentored TTI's	2,818	40,316,475
d) Scholarship	2,169,112	0

**25. Contingent Assets and Contingent Liabilities**

There were no contingencies during the year

**26. Events After The Reporting Period**

There were no material adjusting and non-adjusting events after the reporting period.

**27. Ultimate And Holding Entity**

The entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**28. Currency**

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

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### 20. Appendices

#### Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity Ministry Of Education (MOE).

Name of beneficiary entity Godoma Technical Training Institute

#### Confirmation of amounts received by Godoma Technical Training Institute as at 30<sup>th</sup> June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP/45/(30)	24/09/2024	3,677,125	-	3,677,125	FY2024/2025
MOE/DTE/CAP/43(12)	25/09/2024	2,543,425		2,543,425	FY2024/2025
MOE/DTE/CAP/46(26)	14/02/2025	11,660,425	-	11,660,425	FY2024/2025
<b>SCHOLARSHIP</b>					
MOE/DTE/SCHO/VOL.1(38)	24/09/2024	396,242.60	-	396,242.60	FY2024/2025
MOE/DTE/SCHO/VOL.1(39)	20/09/2024	1,067,730.10	-	1,067,730.10	FY2024/2025
MOE/DTE/SCHO/VOL.1(37)	20/09/2024	449,993.80	-	449,993.80	FY2024/2025
MOE/DTE/SCHO/VOL.1(36)	23/09/2024	255,145.70	-	255,145.70	FY2024/2025
<b>Total</b>				<b>20,050,087.2</b>	

I confirm that the amounts shown above are correct as of the date indicated.

#### Head of Accounts Department – Ministry Of Education

Name ..... Sign ..... Date .....

#### Head of Accounts Department – Godoma Technical Training Institute

Name C.P.A. Jaisigwa MUGOMA Sign [Signature] Date 3/12/2025